Supreme Court, U.S.
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No. 06-

IN THE

Supreme Court of the United States

STRYKER CORP. and
HOWMEDICA OSTEONICS CORP.,

Petitioners,

v.

PIONEER LABORATORIES, INC.
(doing business as Pioneer Surgical Technology),

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether the Federal Circuit inconsistently uses the patent document itself when interpreting the scope of patent claims, thereby creating a "zone of uncertainty" about the scope of patent rights contrary to *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 390-91 (1996).

2. Whether the Federal Circuit erred in holding that a district court may sua sponte grant summary judgment of noninfringement of a patent, where the patent owner had no opportunity to present evidence of infringement under the claim construction adopted by the district court.

RULE 14.1(b) AND 29.6 STATEMENT

Pursuant to Supreme Court Rule 14.1(b), Petitioners Stryker Corporation and Howmedica Osteonics Corporation (collectively "Petitioners") state that all parties to the proceedings below appear in the caption of the case on the cover page.

Pursuant to Supreme Court Rule 29.6, Petitioners state that Stryker Corporation is the parent corporation and sole owner of Howmedica Osteonics Corporation. Stryker Corporation has no parent company and no publicly traded company owns 10 percent or more of its stock.

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Stryker Corporation and Howmedica Osteonics Corporation ("Petitioners") hereby petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit.

OPINIONS BELOW

The opinion and order of the United States District Court for the Western District of Michigan granting summary judgment in favor of Respondent Pioneer Laboratories ("Respondent") is reported at 395 F. Supp. 2d 612 and is also set forth in the Appendix ("App.") at 3a-28a. The Court of Appeals for the Federal Circuit affirmed the judgment of the district court in an order without opinion as set forth at App. 1a-2a. The Federal Circuit's order denying rehearing and rehearing en banc is unreported and is reproduced at App. 29a-30a.

JURISDICTION

The district court had jurisdiction to hear Respondent's complaint pursuant to 28 U.S.C. §§ 1331, 1338, 2201, and 2202. The Federal Circuit had jurisdiction to hear Petitioners' timely appeal pursuant to 28 U.S.C. § 1295(a)(1). Petitioners filed a timely petition for rehearing en banc by the Federal Circuit, which was denied on October 6, 2006. This Court's jurisdiction, under 28 U.S.C. § 1254(1), is thus timely invoked.

STATUTORY PROVISIONS INVOLVED

This case concerns the proper interpretation of patent claims. Patent claims are a required component of every patent, as set forth in § 112, ¶ 2 of the Patent Act, 35 U.S.C. § 112, ¶ 2, which provides: "The [patent] specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention."

This case also concerns the notice and opportunity to respond provisions contained in Federal Rule of Civil Procedure 56(c), which provides:

> The motion shall be served at least 10 days before the time fixed for the hearing. The adverse party prior to the day of hearing may serve opposing affidavits. The judgment sought shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. A summary judgment, interlocutory in character, may be rendered on the issue of liability alone although there is a genuine issue as to the amount of damages.

STATEMENT OF THE CASE

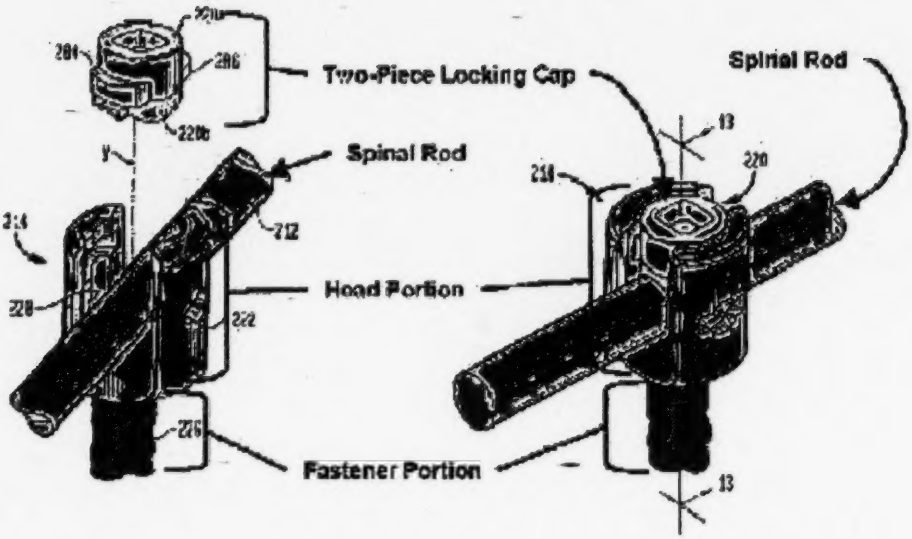
This case raises questions that arise in nearly every patent infringement lawsuit relating to the claim construction process:

> (1) How should the claims of a patent be interpreted so as to allow patent owners and the general public to predictably ascertain the scope of the patent owner's right to exclude? and
>
> (2) How should the district court ensure that all parties have a chance to present evidence regarding infringement after a district court interprets the patent claims in the context of summary judgment?

Patents are an economic *quid pro quo* between inventors and the general public. *E.g.*, *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 497 n.2 (1974) (Douglas, J., dissenting); *Pennock v. Dialogue*, 27 U.S. 1, 23 (1829). In exchange for disclosing an invention which meets the various requirements for patentability (e.g., novelty), the inventor is granted a limited exclusionary right.

This *quid pro quo* is also reflected in two statutorily required components of every patent. The inventor fulfills her part of the patent bargain by submitting to the Patent Office (and thereby disclosing to the public) "a written description of the invention, and the manner and process of making and using it[.]" 35 U.S.C. § 112, ¶ 1. This written description is generally referred to as the "specification." In exchange for publicly disclosing the invention, the inventor receives a right to exclude others from practicing it. The public is given notice of the precise scope of this exclusionary right by another component of the patent, namely, the patent claims. "The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." 35 U.S.C. § 112, ¶ 2.

The patent claims are the issue in this case. The patent-in-suit relates to a "pedicle screw" – an implantable bone screw used to treat spinal disorders. The technology is mechanical in nature, and the specific claim language in dispute is uncomplicated: the claims call for one component of the screw to be "configured to engage" the surface of another component. App. at 4a-5a. The patented invention is shown in the figure below:



From Fig. 14a of '565 Patent

From Fig. 11 of '565 Patent

This case is exemplary of the Federal Circuit's erratic and often internally contradictory approach to interpreting patent claims. Rather than interpret this claim language in accordance with *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996), the Federal Circuit simply rubber-stamped a district court opinion which limited the claims to the only embodiment disclosed in the patent specification and interpreted the phrase "configured to engage" to mean "configured to *cammingly* engage." App. at 20a (emphasis added).

First, the district court improperly interpreted the claim language:

> Reading the disputed claim language in the context of the specification, the Court concludes that the phrase "a locking cap including a first portion configured to engage an interior surface of the head

> portion" requires a locking cap with a first portion configured to *cammingly* engage an interior surface of the head portion.

App. at 20a (emphasis added). This interpretation, affirmed by the Federal Circuit, improperly (1) adds a "camming" limitation from the specification, and (2) limits the scope of the claims to the preferred embodiment. In effect, there was no interpretation at all. The district court merely repeated the same language and added the word "cammingly" that does not appear in the claims.

Then, the Federal Circuit affirmed the district court's decision without opinion. In other words, the Federal Circuit's "interpretation" of the claim language in dispute was to merely parrot back the same claim language verbatim and to then to insert an element into the claims from the specification that is not present in the claims (the "cammingly" requirement).

The uncertainty created by the Federal Circuit is particularly problematic because the claims perform a critical function: public notice. The claims demarcate the boundary between what is freely in the public domain and what is off-limits to the public during the term of the patent. The Court has recognized the great importance of precisely determining this boundary. "The limits of a patent must be known for the protection of the patentee, the encouragement of the inventive genius of others, and the assurance that the subject matter will be dedicated ultimately to the public." *General Elec. Co. v. Wabash Appliance Corp.*, 304 U.S. 364, 369 (1938). Every stakeholder in the patent system has an interest in reliably ascertaining precisely what subject matter any particular patent covers.

In *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996), this Court unanimously held that interpreting the claims of a patent – commonly dubbed "claim construction" by courts

and the patent bar – is an issue for courts to decide rather than juries. An "independent reason" for this allocation of power to judges was the great importance of predictably ascertaining the boundary set by the patent claims. *See id.* at 390. The public should not be "deprived of rights supposed to belong to it, without being clearly told what it is that limits these rights." *Id.* (quoting *Merrill v. Yeomans*, 94 U.S. 568, 573 (1877)).

This Court's *Markman* decision concerned only the allocation of power, not its method of exercise. *Markman* answered the "who" of claim construction, but it did not answer the "how." This Court did not provide guidance on how judges should actually construe claims in order to ensure a predictable and precise border between patent owners' rights and the public domain.

The Federal Circuit has taken up this charge, and it has failed. In the decade since *Markman*, the Federal Circuit has not developed a coherent methodology that allows patent owners and the public alike to predictably ascertain the scope of patent claims. The symptoms of this problem are manifest: Numerous scholars have documented the Federal Circuit's high reversal rate in claim construction cases. *See, e.g.*, Kimberly A. Moore, *Markman Eight Years Later*, 9 LEWIS & CLARK L. REV. 231, 239 (2005) ("After a de novo appeal, the Federal Circuit held that 34.5% of the terms were wrongly construed by the district court.").

Moreover, as the Federal Circuit acknowledged last year, at times some of its cases have "suggested a somewhat different approach to claim construction[.]" *Phillips v. AWH Corp.*, 415 F.3d 1303, 1319 (Fed. Cir. 2005) (en banc). The Federal Circuit heard *Phillips* en banc in an effort to resolve the irregularities within the court. At least on the surface, *Phillips* appeared to unify the Federal Circuit judges: 11 out of the 12 active circuit

judges joined the portion of the opinion that explicated the Federal Circuit's framework for interpreting patent claims.

However, in this case that was supposed to settle the intra-circuit differences and clarify the law of claim construction, two judges fully joined that majority framework, yet they employed that very same framework to reach a completely opposite outcome. *See id.* at 1328-30 (Lourie, J., and Newman, J., concurring in part and dissenting in part).

The failed promise of *Phillips* to clarify the law of claim construction surfaced quickly, where a split panel of the Federal Circuit disagreed on claim construction within just two months. *See Free Motion Fitness, Inc. v. Cybex Int'l, Inc.*, 423 F.3d 1343 (Fed. Cir. 2005). Other Federal Circuit panel decisions subsequent to *Phillips* flatly contradicted the statute, this Court's precedent, and even the en banc *Phillips* decision itself. *See infra* § III. Moreover, the Federal Circuit recently issued six different opinions in one case, regarding whether the court owes any deference to the trial court's patent claim construction rulings. *See Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 469 F.3d 1039 (Fed. Cir. 2006) (order denying rehearing en banc).

Much of the trouble stems from the Federal Circuit's failure to heed this Court's guidance, consistent with the patent statute, that it is the *claims* of the patent that ultimately demarcate the scope of a patent owner's exclusionary right. The examples given in the patent specification may inform the meaning of the claims, but they do not trump the role of the claims as the boundary markers of the patent grant.

It has been over ten years since this Court's landmark decision in *Markman*, where the Court allocated interpretation of patent claims to the courts. The issue of how this should be done is causing confusion in the courts and is ripe for this Court

to review. In particular, the Federal Circuit recognizes the tension between interpreting a claim in light of the specification and avoiding importing a limitation from the specification into the claims. *See Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 904-905 (Fed. Cir. 2004). This case arrives in the context of a final judgment and easily understood technology. As such, it presents an excellent vehicle, at an opportune time, for this Court to take the natural next step after *Markman*: to provide the Federal Circuit and district courts much needed guidance on how to predictably and consistently interpret patent claims.

The interpretation of the patent claims is the first of two steps in a patent infringement analysis. *See Markman*, 517 U.S. at 384. Once the patent claims have been interpreted by the court, the second step in the analysis is the application of the properly-construed claims to the accused products and is a question of fact. *See id.* Summary judgment motions, however, are often filed in patent infringement lawsuits before, or concurrently with, claim construction proceedings. Where a motion for summary judgment is filed before the district court has construed the patent claims, the moving party generally presents and argues the evidence under its proposed construction.

A party is entitled to notice and an opportunity to present its evidence under Federal Rule of Civil Procedure 56(c) if the district court is considering granting summary judgment against it. If the district court adopts a claim construction other than that proposed by a moving party, a party may not have presented evidence of infringement under that construction. A party must be allowed a full and fair opportunity to present all of its evidence relating to infringement under the construction actually adopted by the court. This case presents an opportunity to correct a gross injustice done by the lower courts and to clarify the procedural

safeguards necessary when the claim construction and the summary judgment processes overlap.

The Technology at Issue

The technology at issue in the case is conceptually straightforward and mechanical in nature. Generally speaking, it concerns an implantable bone screw used to help treat spinal disorders.

More specifically, the patent at issue in the case, U.S. Patent No. 6,565,565, relates to "pedicle" screws. "Pedicles" are stem-like structures that project from the backside of vertebrae. Each normal human vertebra has two pedicles. A pedicle screw is just as its name implies – it is a type of bone screw that is implanted into a pedicle. When it is necessary to implant spinal rods, pedicle screws help connect the spinal rods to the spine.

The screw described by the '565 patent contains three pieces:

(i) a "head portion";

(ii) a two-piece "locking cap"; and

(iii) a "fastener portion."

A color picture of the screw, taken from a drawing in the '565 patent, is shown *supra* and at App. 31a. The locking cap is shown in yellow, the head portion in brown, and the fastener portion in green. The '565 patent states that this unique design constitutes an improvement over prior screws because prior screws used threaded fasteners that could become inadvertently loosened while implanted. According to Petitioners, the screw design disclosed in the '565 patent is an improvement because prior screws are more easily damaged during assembly.

Claim 1 of the '565 patent is representative of the asserted claims. The claim limitations in Claim 1 mirror the three general pieces noted above:

> 1. A device for securing a spinal rod to the spine comprising:
>
> a **head portion** having a channel extending therethrough configured to receive a spinal rod;
>
> a **locking cap** including a first portion configured to engage an interior surface of the head portion and a second portion having an elongated recess configured to engage an exterior surface of a spinal rod received by the channel to secure the position of the head portion relative to the spinal rod, the first portion of the locking cap being mechanically joined and configured to rotate relative to the second portion of the locking cap; and
>
> a **fastener portion** depending from the head portion and configured to engage the spine.

The District Court's Rulings

Respondent filed the present lawsuit seeking a declaratory judgment that its screw system does not infringe claims of the '565 patent and that the '565 patent claims are invalid. Petitioners denied these contentions and filed a counterclaim asserting that Respondent indeed infringes one or more claims of the '565 patent.

Petitioners soon moved for summary judgment of infringement. In their motion, Petitioners argued that the claims should receive their ordinary and customary meaning. Respondent opposed, offering its own claim construction of

language in the '565 patent claims. Importantly, Respondent did not move for summary judgment of noninfringement under its proffered claim construction.

The district court did not adopt Petitioners' position on claim construction and interpreted the phrase "a locking cap including a first portion configured to engage an interior surface of the head portion" to mean "a *camming* engagement between the first portion of the locking cap and the interior surface of the head portion." App. at 24a (emphasis added).

Because the district court did not adopt Petitioners' proposed claim construction position, the district court denied Petitioners' motion for summary judgment of infringement. App. at 25a, 27a-28a. The district court then went further: it granted summary judgment against Petitioner that the accused screw system did not infringe the asserted claims. App. at 25a, 27a-28a. Respondent did not move for summary judgment. The district court provided Petitioners no notice of its intent to grant summary judgment for Respondent. Petitioners had no opportunity to present evidence that the accused screw system infringed the asserted claims under the construction adopted by the district court.

The Federal Circuit's Disposition

Petitioners timely appealed to the Federal Circuit. Petitioners argued that the district court erred in interpreting the claims of the '565 patent and that summary judgment in Respondent's favor was therefore improper. Petitioners also argued that the district court failed to give Petitioners sufficient notice before sua sponte granting summary judgment against them. The Federal Circuit affirmed the district court's judgment without opinion. App. at 1a-2a. Petitioners timely requested rehearing en banc, which was denied in October 2006. App. at 29a-30a.

REASONS FOR GRANTING THE PETITION

The decision below is in direct conflict with both the federal patent statute and this Court's precedent, both of which make clear that it is the patent *claims*, and not the patent's *specification*,[1] that demarcate the boundary between the patent owner's rights and the public domain.

The Federal Circuit itself acknowledged that, ten years after this Court's decision in *Markman*, it has given divergent guidance on how to implement *Markman* to interpret patent claims. *See Phillips v. AWH Corp.*, 415 F.3d 1303, 1319 (Fed. Cir. 2005) (en banc) (some Federal Circuit cases "have suggested a somewhat different approach to claim construction").

Post-*Phillips*, though the Federal Circuit judges now agree on the magic words to incant as the legal standard for interpreting patent claims, the judges could not agree on the application of that standard – even in *Phillips*, the very case that was supposed to settle those differences.

Ten years have passed since the Court's monumental *Markman* decision, and more than a year has passed since the Federal Circuit en banc tried to settle on an internally coherent and predictable methodology for interpreting the scope of patent claims. Despite these attempts, the tension

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1. Technically, under the statute, the patent claims are a part of the patent's specification, rather than a separate component from it. *See* 35 U.S.C. § 112, ¶ 2 (noting that the specification concludes with the claims). However, in common parlance, the term "specification" is more often used to denote the portion of the patent containing the written description and drawings, as opposed to the patent claims. *See, e.g., Phillips*, 415 F.3d at 1312 (referring to the specification and claims as separate components). Petitioners use the latter meaning throughout this brief.

between interpreting a claim in light of the specification and avoiding importing a limitation from the specification into the claims remains. *See Liebel-Flarsheim*, 358 F.3d at 904-905. Petitioners, as patent owners, and Respondent, as an accused infringer, both have a critical need to understand the limits of Petitioners' patent rights. Certainty in the interpretive process may also prevent needless patent litigation.

In addition, the decision of the district court below to grant summary judgment sua sponte so far departs from the notice requirements of the Federal Rules of Civil Procedure, precedent, and the public policy considerations described in this Court's decision in *Celotex Corp. v. Catrett* that this Court's intervention is required to preserve Petitioners' right to due process.

Petitioners were deprived of any notice that summary judgment would be granted against them and were given no opportunity to present evidence under the claim construction adopted by the district court. District courts often adopt claim constructions that differ from those proposed by one or both parties. As an initial matter, a party is entitled to unequivocal notice that a court is considering entering summary judgment against it. In addition, a party must be entitled to present its evidence under the claim construction adopted by the district court.

I. THE FEDERAL CIRCUIT HAS DIVERGED FROM THE PATENT STATUTE AND THIS COURT'S CLAIM CONSTRUCTION PRECEDENT

The Patent Act makes clear that the patent claims demarcate the boundary between the patent owner's proprietary technology and the public domain: "The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." 35 U.S.C. § 112, ¶ 2. This Court has made clear that "[u]nder the statute, it is the claims of the patent which define the invention." *Altoona Publix Theatres, Inc. v. American Tri-Ergon Corp.*, 294 U.S. 477, 487 (1935).

Consistent with that view, this Court has admonished lower courts not to let the patent specification supplant the claims in defining the invention. In *McCarty v. Lehigh Valley Railroad Co.*, 160 U.S. 110 (1895), the Court invalidated certain patent claims pertaining to a metallic bolster for freight railcars. The patentee attempted to narrow the patent claims (and thereby avoid invalidity) by suggesting that certain features of the invention 'may be read into the claims for the purpose of sustaining the patent." *Id.* at 116. The Court disagreed, observing that "[t]here is no suggestion in either of these claims that the ends of the bolster rest upon springs in the side trusses, although they are so described in the specification and exhibited in the drawings." *Id.* The Court was clear:

> [W]e know of no principle of law which would authorize us to read into a claim an element which is not present, for the purpose of making out a case of novelty or infringement. The difficulty is that if we once begin to include elements not

> mentioned in the claim, in order to limit such claim, and avoid a defense of anticipation, we should never know where to stop.

Id. at 116; *see also Gen. Elec. Co.*, 304 U.S. at 374 (warning against "an improper importation into the claim of a factor nowhere described there"); *Altoona Publix Theatres*, 294 U.S. at 487 ("As none of the flywheel claims as drawn define an invention, none can be aided by reading into it parts of the specifications, or of other claims, which the patentees failed to include in it.").

Contrary to this Court's precedent, in this case the district court and the Federal Circuit improperly allowed the patent specification to supplant the claims in defining the invention. The district court and Federal Circuit took the claim language "configured to engage" and inserted an additional element from the specification not present in the claims: that the engagement must be a "camming" engagement. App. at 24a. In so doing, the decision below narrowed the claims and accepted a legal position that this Court has called "too obviously untenable to require argument." *McCarty*, 160 U.S. at 116.

Recently, this Court has forayed into patent law in order to provide guidance on fundamental legal issues with wide impact on the patent system. *E.g.*, *KSR Int'l Co. v. Teleflex, Inc.*, 126 S. Ct. 2965 (2006) (cert. granted); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushuki Co.*, 535 U.S. 722 (2002); *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997); *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996).

The need for this Court's guidance is at least as compelling in this case, because claim construction is an issue

of broad applicability that effects every issued patent. Moreover, the need for courts to properly interpret patent claims is a prerequisite to making a determination of infringement or validity of a patent.

II. THERE IS AN INTRA-CIRCUIT SPLIT WITHIN THE FEDERAL CIRCUIT REGARDING PATENT CLAIM CONSTRUCTION

The need for this Court's review is further bolstered by the Federal Circuit's internal fracture regarding how to implement the mandate of *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996). As the federal appellate court with almost exclusive jurisdiction over patent cases,[2] intra-circuit disagreement within the Federal Circuit is particularly problematic, especially regarding patent claim construction – an issue arising in nearly every patent infringement lawsuit. Even after the Federal Circuit's recent en banc decision in *Phillips*, which attempted to remedy the intra-circuit disagreement regarding claim construction, the court has fractured on claim construction.

In its early years, the Federal Circuit recognized that the different components of the patent document served different functions. Then-Chief Judge Markey put it succinctly: "Specifications teach. Claims claim." *SRI Int'l v. Matsushita Elec. Corp.*, 775 F.2d 1107, 1121 n.14 (Fed. Cir. 1985) (en banc). The court observed:

> When claim construction is required . . . that claims are interpreted in light of the specification

2. Under *Holmes Group, Inc. v. Vornado Air Circulation Systems, Inc.*, 535 U.S. 826 (2002), a limited (currently negligible) number of patent cases may reach the federal regional appellate courts. This happens when a patent infringement counterclaim is brought in response to a complaint alleging only non-patent law causes of action.

> does not mean that everything expressed in the specification must be read into all the claims. If everything in the specification were required to be read into the claims . . . there would be no need for claims. Nor could an applicant, regardless of the prior art, claim more broadly than that embodiment. Nor would a basis remain for the statutory necessity that an applicant conclude his specification with claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Id. (citations omitted).

After this Court's unanimous *Markman* decision in 1996, the Federal Circuit experimented with different methodologies in an attempt to carry out this Court's mandate. *See Phillips*, 415 F.3d at 1319-24. In particular, the Federal Circuit struggled with the proper role of the various resources used to interpret patent claims, e.g., the patent's specification, dictionaries, the patent's prosecution history, and expert testimony. *See id.*

On the surface, the en banc *Phillips* decision appeared to the unify the court: almost all of the Federal Circuit judges agreed upon a general legal framework for claim construction, emphasizing the primacy of the patent specification. *See id.* at 1311-19.

In practice, however, the judges fractured on the application of that agreed-upon framework. Interpreting patent claims pertaining to vandalism-resistant walls, the en banc *Phillips* majority held that the claim term "baffle" could include structures extending at a right angle from a wall, even though the patent's specification never illustrated or

described baffles extending at right angles. *See id.* at 1327. Two judges completely agreed with the law laid out by the majority, yet they would have used that same legal framework to reach the opposite conclusion. They would have held that the term "baffle" could not include structures extending at right angles, because such structures were never shown in the patent specification. *See id.* at 1328-30 (Lourie, J., and Newman, J. concurring in part and dissenting in part). In other words, these judges would have limited the term "baffle" to only the exemplary structures shown in the patent.

Only two months after *Phillips*, the court again fractured on claim construction. *See Free Motion Fitness, Inc. v. Cybex Int'l, Inc.*, 423 F.3d 1343 (Fed. Cir. 2005) (disagreeing, among other things, on the breadth of the term "adjacent" in a patent claim for an exercise machine). Since then, other Federal Circuit opinions have expressed the same internal inconsistency. In some cases, the Federal Circuit holds that the claims of the patent can be broader than the mere examples in the specification. *See, e.g., Varco, LP v. Pason Sys. USA Corp.*, 436 F.3d 1368, 1375 (Fed. Cir. 2006) (discussed *infra*); *Wilson Sporting Goods Co. v. Hillerich & Bradsby Co.*, 442 F.3d 1322, 1329 (Fed. Cir. 2006); *Callicrate v. Wadsworth Mfg., Inc.*, 427 F.3d 1361, 1367-68 (Fed. Cir. 2005). In other cases, the Federal Circuit improperly elevates the examples in the specification to the same importance as the claims themselves in defining the scope of the patent owner's rights. *On Demand Machine Corp. v. Ingram Indus., Inc.*, 442 F.3d 1331, 1339-40 (Fed. Cir. 2006) (discussed *infra*); *Honeywell Int'l, Inc. v. ITT Indus., Inc.*, 452 F.3d 1312, 1317-18 (Fed. Cir. 2006); *Nystrom v. Trex Co.*, 424 F.3d 1136, 1142-46 (Fed. Cir. 2005).

The broader approach of some Federal Circuit panels is illustrated in *Varco LP v. Pason Systems USA Corp.*, 436 F.3d 1368, 1375 (Fed. Cir. 2006). In *Varco* the patent pertained to a method of regulating a drilling rig drill. One of the steps in the method claim at issue called for "relaying said selected signal or signals to a drill string controller. . . ." *Id.* The Federal Circuit panel held that this "relaying step" did not require the use of pneumatically operated valves, because "nothing in the claim language requires or even suggests" that such valves were required. *Id.* The fact that the specification employed pneumatically operated valves to accomplish this step did not "limit the invention as a whole" because the specification "merely list[s] such valves as but one example of relays operable in the present invention." *Id.*

The narrower approach of other Federal Circuit panels is illustrated by *On Demand Machine Corp. v. Ingram Industries, Inc.*, 442 F.3d 1331, 1339-40 (Fed. Cir. 2006). In *On Demand Machine*, the Federal Circuit allowed the specification to trump the language of the claims, this time narrowly defining the simple claim term "customer." The court held that "the focus" of the patent specification required a narrower construction than the district court's common-sense definition of a "customer" as anyone "who buys goods or services." *Id.* at 1339-40. Importantly, the panel opined that "the claims cannot be of broader scope than the invention that is set forth in the specification." *Id.* at 1340. This holding squarely contradicts *Phillips*, which held that a claim term could be broader than the examples disclosed in the specification (i.e., that a "baffle" could be configured at a right-angle, even though not shown or described as such in the patent).

In November 2006, the Federal Circuit's internal debate over the proper claim construction methodology bubbled back to the surface. The judges issued six different opinions regarding whether the court should hear another claim construction issue en banc: namely, whether any deference is owed to the district court's rulings regarding claim construction. *See Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 469 F.3d 1039 (Fed. Cir. 2006) (order denying rehearing en banc).

The Federal Circuit's intra-circuit instability and disregard for the statute directly impacts this case. The claims of the '565 patent call for a "head portion" and "a locking cap including a first portion *configured to engage* an interior surface of the head portion. . . ." App. at 4a-5a (emphasis added). The specification of the '565 patent illustrates a "camming" engagement as one embodiment of the "engagement" called for by the patent claims. The claims themselves, however, which define the scope of invention, do not contain a "camming" requirement. The claim construction adopted by the district court limits the claim term "configured to engage" based on the specification and therefore contradicts the Federal Circuit's decisions in *Phillips* and *Varco*.

The Federal Circuit admits that in some cases "it will be hard to determine whether a person of skill in the art would understand the embodiments [in the specification] to define the outer limits of the claim term or merely to be exemplary in nature." *Phillips*, 415 F.3d at 1323. Indeed it is difficult, because the largest outcome determinative factor appears to be the particular Federal Circuit panel to which any particular case is assigned. By statutory definition, the embodiments are *always* exemplary, and it is the *claims*, not the exemplary embodiments in the specification, which "define the outer limits" of the patent's scope. 35 U.S.C. § 112, ¶ 2. This Court's guidance is needed to reaffirm the proper roles of the specification and claims, in accordance with the statute and its precedent.

III. SUA SPONTE SUMMARY JUDGMENT SHOULD NOT BE GRANTED WITHOUT NOTICE AND AN OPPORTUNITY TO RESPOND

Review by this Court is required to prevent patent litigants from being deprived of due process during the claim construction and summary judgment proceedings. The Federal Circuit so departed from the notice requirements in Federal Rule of Civil Procedure 56(c), misapplied Sixth Circuit precedent, and ignored the public policy considerations described in this Court's decisions in affirming the district court's grant of summary judgment for Respondent sua sponte, that this Court's intervention is required. *See Celotex Corp. v. Catrett*, 477 U.S. 317, 326-27 (1986); *Routman v. Automatic Data Processing, Inc.*, 873 F.2d 970, 971-972 (6th Cir. 1989); *Massey v. Del Labs., Inc.*, 118 F.3d 1568, 1573 (Fed. Cir. 1997).

An infringement analysis consists of two steps: the interpretation of the patent claims (a question of law), and the application of the interpreted claims to the accused devices (a question of fact). *See Markman*, 517 U.S. at 384. Summary judgment is appropriate in a patent case, including on the ultimate question of infringement, just as it is appropriate in any other kind of case. *See, e.g., Avia Group Int'l, Inc. v. L.A. Gear Cal., Inc.*, 853 F.2d 1557, 1561 (Fed. Cir. 1988); *see also Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 39 n.8 (1997). Summary judgment is appropriate when "there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." FED. R. CIV. P. 56(c). Summary judgment is only appropriate, however, where the procedural safeguards of Rule 56(c) are provided to the party against whom judgment is entered. *See Avia*, 853 F.2d at 1560-61.

In affirming the district court's decision, the Federal Circuit ignored the procedural safeguards required by Federal Rule of Civil Procedure 56(c). Petitioners were not provided notice that the district court was considering granting summary judgment against them, and were not provided any opportunity to present evidence demonstrating that there are genuine issues of material fact that preclude entry of judgment of no literal infringement under Respondent's claim construction. Rule 56(c) mandates "[A summary judgment] motion shall be served at least 10 days before the time fixed for the hearing. The adverse party prior to the day of hearing may serve opposing affidavits." FED. R. CIV. P. 56(c).

Under Sixth Circuit law,[3] this ten day notice requirement applies to the court before summary judgment may be granted sua sponte against a party:

> Fed. R. Civ. P. 56(c) mandates that the party opposing summary judgment be afforded notice and a reasonable opportunity to respond to all issues to be considered by the court. . . . Rule 56(c) requires at a minimum that an adverse party be extended at least ten days' notice before summary judgment may be entered.

Routman, 873 F.2d at 971 (internal citations omitted). Furthermore, "[w]here a district court is contemplating entering *sua sponte* summary judgment against one of the parties, the party is entitled to unequivocal notice of the court's intentions." *Id.* at 972 (quoting *Yashon v. Gregory*, 737 F.2d 547, 552 (6th Cir. 1984)).

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3. The question of whether an opposing party is afforded sufficient notice and opportunity to be heard by a district court granting summary judgment against it is a procedural one and not unique to patent law. *See Massey*, 118 F.3d at 1572. Accordingly, the Federal Circuit holds that it is governed by regional circuit law, here, the law of the Sixth Circuit. *See id.*

In fact, the Sixth Circuit has held that "[n]oncompliance with the time provision of the rule deprives the court of authority to grant summary judgment, unless the opposing party has waived this requirement, or there has been no prejudice to the opposing party by the court's failure to comply with this provision of the rule." *Kistner v. Califano*, 579 F.2d 1004, 1006 (6th Cir. 1978) (internal citations omitted). The merits of a sua sponte grant of summary judgment do not enter into the analysis of whether the dismissal caused prejudice. The Sixth Circuit has held that "not having an opportunity to respond constitutes prejudice" because a party is entitled to notice so that it "might respond to the district court's proposal to grant summary judgment with whatever arguments and evidence in the record that he could muster." *Yashon v. Gregory*, 737 F.2d 547, 552 (6th Cir. 1984); *see also GBJ Corp. v. Eastern Ohio Paving Co.*, 139 F.3d 1080, 1090 (6th Cir. 1998).

The rationale for requiring notice and a reasonable opportunity to respond is well-articulated by the Sixth Circuit as "a common sense application of the law." *Employer's Insurance of Wausau v. Petroleum Specialties, Inc.*, 69 F.3d 98, 105 (6th Cir. 1995). "Courts of Appeal are courts of review. It would normally be impossible to determine whether there is a disputed issue of material fact when a party has not had the chance to develop the record below." *Id.* Providing notice of claims and an opportunity to respond to those claims with evidence before judgment is entered is the cornerstone of due process.

Petitioners were prejudiced for exactly the reason described in Sixth Circuit precedent: they were not given a chance to present evidence that could demonstrate the existence of genuine issues of material fact. Petitioners were neither afforded proper notice (here no notice) nor provided

a fair opportunity to be heard concerning the ground on which the district court granted summary judgment, i.e., the issue of no literal infringement under Respondent's claim construction. Based on the ordinary meaning of the asserted claims, Petitioners moved for summary judgment that Respondent's screw system infringes the '565 patent. In opposition to Petitioners' motion, Respondent argued that under its own narrowing claim construction, its accused devices would not infringe. *Respondent never filed a motion for summary judgment on any issue in this case.* Moreover, the parties did not agree on a common claim construction or a common set of undisputed facts. *Thus, Petitioners never argued the facts under Respondent's claim construction.*

Petitioners believe that, given the opportunity, they could present evidence of infringement even under the district court's erroneous claim construction. For example, the locking cap of the accused device indisputably engages the interior surface of the head portion. The district court described the accused products as follows: "As the spinal rod is locked into place upon rotation of the cap, the tabs on the upper portion of the locking cap are pushed up into and mesh with the top inside surface of the slots in the head portion." App. at 9a. It is a disputed question of fact and a reasonable jury could find that this engagement by the accused devices is a "camming engagement" as a matter of engineering principle.

The Federal Circuit's decision also conflicts with its own decision in *Massey v. Del Laboratories, Inc.* In that case, the plaintiff moved for summary judgment of validity. *See Massey*, 118 F.3d at 1571. The defendant moved for summary judgment of invalidity solely based on anticipation. *Id.* In its opposition brief to plaintiff's validity motion, however, the defendant argued that the plaintiff's patent was

both anticipated and obvious in light of the prior art. *Id.* The district court granted the defendant's motion for summary judgment on the ground of obviousness, not anticipation. *Id.*

The district court in *Massey*, like the district court here, granted summary judgment to the non-movant. *Id.* The Federal Circuit reversed and held that the parties' separate summary judgment motions did not conclusively show that the plaintiff received a "full and fair opportunity to ventilate the issues [on obviousness] on which the district court granted judgment." *Id.* at 1573.

This Court's precedent makes clear that while summary judgment (including sua sponte summary judgment) is "an integral part of the Federal Rules as a whole," it is appropriate only *"so long as the losing party was on notice that she had to come forward with all of her evidence."* *Celotex*, 477 U.S. at 326-27 (emphasis added). Here, Petitioner had no notice that it had to come forward with all of its evidence under the claim construction adopted by the district court.

Similarly, in *Illinois Tool Works Inc. v. Independent Ink, Inc.*, this Court recognized that where a party had moved for summary judgment and submitted evidence based on the Court's prior opinions, the moving party "should therefore be given a fair opportunity to develop and introduce evidence" under the correct legal standard. 126 S. Ct. 1281, 1293 (2006). *Illinois Tool Works* is analogous to the situation here. Petitioner moved for summary judgment and submitted evidence based on the legal position it believed to be correct – its proposed claim construction. When the district court adopted a different claim construction, Petitioner should have been given a "fair opportunity to develop and introduce evidence" under that construction.

A final decision should be made only after both parties have had a full and fair opportunity to present all of their evidence under the law. In a patent case, a district court may adopt a claim construction different from that proposed by a party moving for summary judgment. Due process requires (1) notice that a court is considering granting summary judgment against a party, and (2) an opportunity to present evidence under the claim construction actually adopted by the district court.

The Federal Circuit panel's affirmance was improper. Instead, the panel should have reversed the district court's sua sponte grant of summary judgment, in accordance with the Federal Rules, Sixth Circuit precedent, and its own previous decisions, and remanded the case back to the district court to allow Petitioner to present evidence that could demonstrate that there are genuine issues of material fact that preclude entry of no literal infringement under Respondent's claim construction. The district court's decision to grant sua sponte summary judgment, affirmed by the Federal Circuit, so far departs from precedent and principles of due process that this Court must intervene.

CONCLUSION

For the reasons stated, the petition for a writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX

APPENDIX A — JUDGMENT OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT FILED AUGUST 11, 2006

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

06-1142

PIONEER LABORATORIES, INC.
(doing business as Pioneer Surgical Technology),

Plaintiff-Appellee,

v.

STRYKER CORP. and
HOWMEDICA OSTEONICS CORP.,

Defendants-Appellants.

JUDGMENT

ON APPEAL from the UNITED STATES DISTRICT COURT WESTERN DISTRICT OF MICHIGAN

In CASE NO(S). 2:05-CV-41

This CAUSE having been heard and considered, it is ORDERED and ADJUDGED:

Per Curiam: (MAYER, BRYSON, and LINN, *Circuit Judges*):

Appendix A

AFFIRMED. *See* Fed. Cir. R. 36.

ENTERED BY ORDER OF THE COURT

s/ Jan Horbaly
Jan Horbaly, Clerk

DATED AUG 11 2006

APPENDIX B — OPINION (AS CORRECTED ON OCTOBER 27, 2005) AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF MICHIGAN, NORTHERN DIVISION FILED OCTOBER 13, 2005

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

Case No. 2:05-CV-41

HON. GORDON J. QUIST

PIONEER LABORATORIES, INC., d/b/a
PIONEER SURGICAL TECHNOLOGY

Plaintiff,

v.

STRYKER CORP., and
HOWMEDICA OSTEONICS CORP.,

Defendants.

OPINION

Plaintiff Pioneer Laboratories, Inc. ("Pioneer") filed a complaint against Defendants Stryker Corp. and Howmedica Osteonics Corp. (collectively referred to as "Stryker") seeking a declaration that its surgical pedicle screw system does not infringe any of the claims of U.S. Patent No. 6,565,565 ("the '565 patent"), and that the '565 Patent is invalid under 35 U.S.C. §§ 102, 103, and 112. (Pl.'s Compl. ¶¶ 13 & 15.) Defendants moved for summary judgment on Plaintiff's claims, arguing that there is no genuine issue of material fact 1) that Plaintiff's product literally infringes the '565 patent, and 2) that the '565

patent is not invalid. For the following reasons, the Court will deny Defendants' motion for summary judgment that Plaintiff's product literally infringes the '565 patent, grant summary judgment in favor of Plaintiff that its product does not literally infringe the '565 patent, and dismiss Defendants' motion for summary judgment that the '565 patent is not invalid as moot.

BACKGROUND

Pioneer, a Michigan corporation with its principal place of business in Marquette, Michigan, is engaged in the manufacture and sale of medical products. Stryker, a Michigan corporation with its principal place of business in Kalamazoo, Michigan, is also engaged in the manufacture and sale of medical products. Howmedica, a New Jersey corporation with its principal place of business in New Jersey, is the owner of the '565 patent. Howmedica is a wholly-owned subsidiary of Stryker.

The technology at issue in this case relates to implantable spinal stabilization systems, specifically, pedicle screws, which are used in the surgical treatment of spinal disorders. A pedicle screw is a particular type of bone screw designed for implantation into a vertebral pedicle. Such screws are used to connect cylindrical spinal rods to the spine. (Defs.' Mem. Supp. Mot. Summ. J. Infringement at 2-3.) The '565 patent is directed to Stryker's implantable spinal stabilization system. Specifically, the patent is directed to a device for securing spinal rods of a spinal stabilization system. ('565 Patent, at [54].) The '565 patent was issued on May 20, 2003, and has three components: "a) a head portion having a channel extending therethrough configured to receive a spinal rod; b) a locking cap including a first [or upper] portion configured to engage an interior surface of the head portion, and a second [or lower] portion having an elongated recess configured to engage an exterior surface of a spinal rod received by the channel [extending through the head

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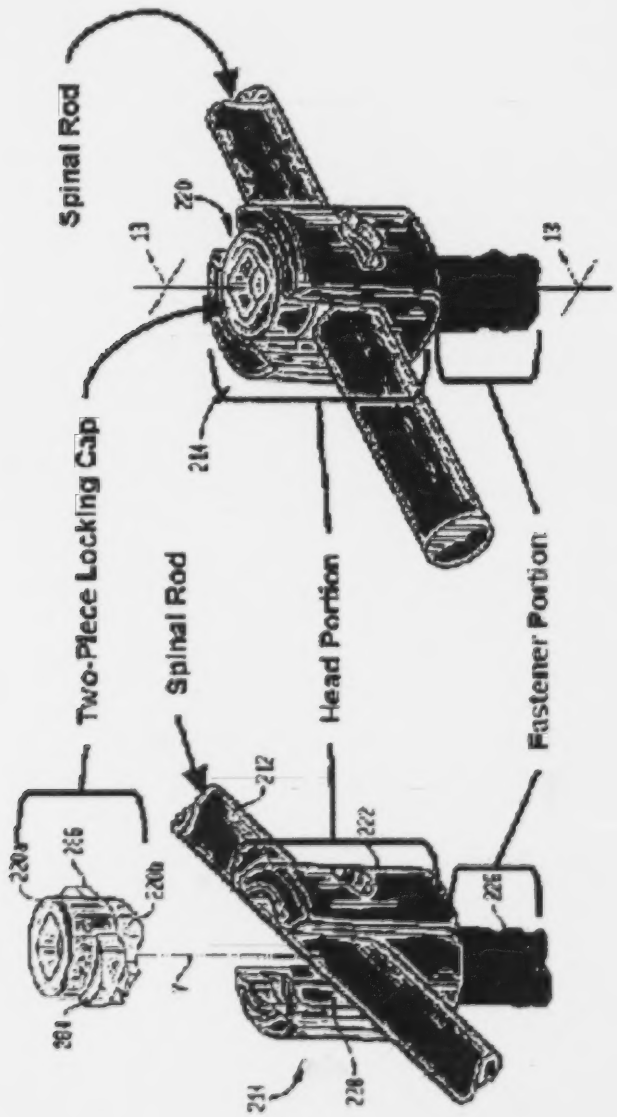
portion] . . . , the first [or upper] portion of the locking cap being mechanically joined and configured to rotate relative to the second portion of the locking cap; and c) a fastener portion depending from the head portion and configured to engage the spine." ('565 Patent col. 12, ll. 6-20.) *(See* '565 Patent figs. 14a and 11 below.)



From Fig. 11 of '565 Patent

From Fig. 14a of '565 Patent

Appendix B

The concededly novel component of the '565 patent (*id.* col. 8, l. 60), and the one which forms the dispute in this case, is the patent's two-part locking cap. The patent's specification describes the locking cap's upper portion as having a cylindrical body with a pair of arcuate (i.e. bowed) engagement flanges that extend outward from the cap body. (*Id.* col. 9, ll. 64-67.) Each engagement flange has a low side and a high side (*id.* col. 8, ll. 56-57) which enables it to operatively engage inclined arcuate engagement slots in the system's head portion. (*Id.* col. 6, ll. 45-67.) (*See* '565 Patent fig. 12B below.)

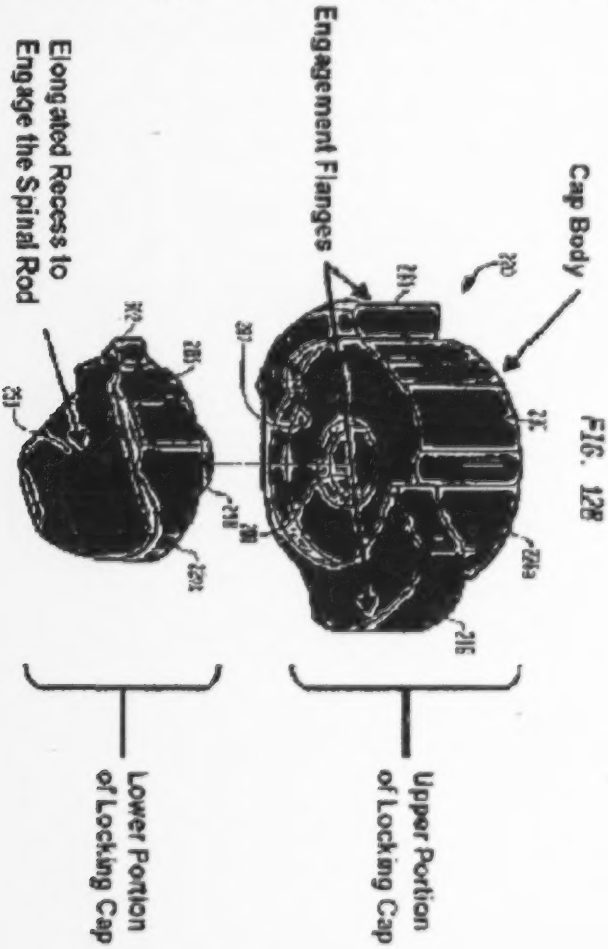
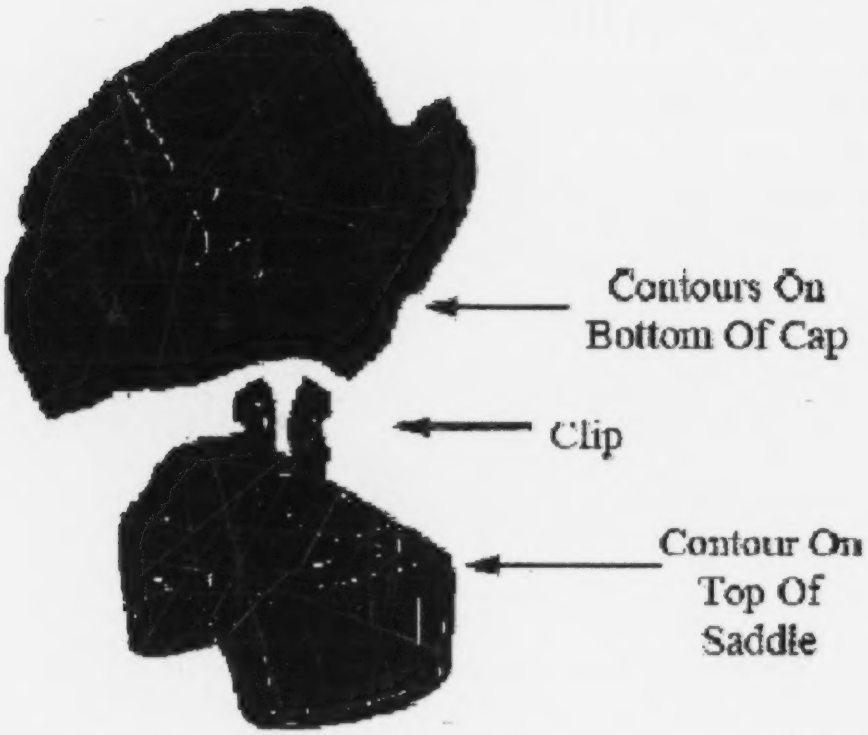

Elongated Recess to Engage the Spinal Rod
Engagement Flanges
Cap Body
Lower Portion of Locking Cap
Upper Portion of Locking Cap

FIG. 12B

Appendix B

Pioneer introduced its Quantum pedicle screw in September 2004. Like the pedicle screw system disclosed in the '565 patent, the Quantum system has components common to essentially all pedicle screw systems, such as a head, a fastener, and a locking cap. Like the locking cap disclosed in the '565 patent, Pioneer's system contains a two piece locking cap, an upper-portion (or cap) and a lower portion (or saddle). As in the '565 patent, the upper portion of Pioneer's locking cap contains two bowed tabs (or flanges) that fit into two slots in the system's head portion. Moreover, the cap is connected to the saddle so that the cap can rotate relative to the stationary saddle. Contrary to the '565 patent's specification, the tabs on the upper portion of Pioneer's locking cap and the slots in the head are not inclined. Moreover, the bottom of the upper cap and the top of the saddle "are contoured so that as the cap is rotated the bottom of the cap pushes against the saddle to separate the saddle from the cap and lock the rod in place." (Pl.'s Opp'n Defs.' Mot. Summ. J. Infringement at 8.) A spring clip, which connects the saddle to the cap, permits the saddle to separate from the cap as the contoured portion of the cap pushes down on the saddle. *(See id.* fig. 4 below.)

Appendix B



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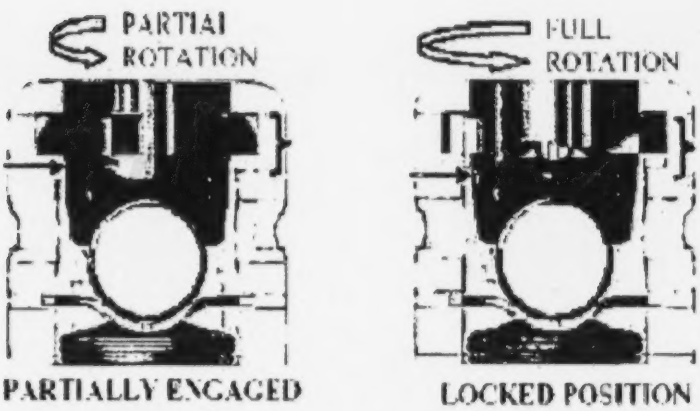
As the spinal rod is locked into place upon rotation of the cap, the tabs on the upper portion of the locking cap are pushed up into and mesh with the top inside surface of the slots in the head portion. *(See* Pl.'s Opp'n Defs.' M. Summ. J. Infringement at 9.)



DISCUSSION

Defendants have moved for summary judgment that Plaintiff's pedicle screw literally infringes its '565 patent and that its patent is not invalid. Consideration of both these claims requires a court to first ascertain the scope of the patent holder's claimed invention. *See Athletic Alternatives, Inc., v. Prince Mfg., Inc.*, 73 F.3d 1573, 1578 (Fed. Cir. 1996) (noting that "[p]atent infringement analysis [requires] . . . the . . . construction of the meaning and scope of the asserted

claim"); *SIBIA Neurosciences, Inc. v. Cadus Pharm. Corp.*, 225 F.3d 1349, 1355 (Fed. Cir. 2000) (recognizing that "[t]he first step in any invalidity analysis is claim construction").

In this case, as is commonly seen in patent cases, there is a substantial dispute over the proper interpretation of the claims. Specifically, the dispute concerns the proper role of the specification in interpreting the claims. The Federal Circuit elaborated upon the proper role the specification plays in claim interpretation in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005). In the attempt to properly construe the claims here, the Court will first lay out the framework as articulated by the *Phillips* court. As a starting point, the Federal Circuit acknowledged that it "is a 'bedrock principle' of patent law that 'the claims of a patent define the invention to which the patentee is entitled the right to exclude.'" *Id.* at 1312 (citation omitted). In interpreting the claims, the "words of a claim 'are generally given their ordinary and customary meaning,' [which] ... is the meaning that the [words] would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date of the patent application." *Id.* at 1312-13. "Importantly," the court noted, "the person of ordinary skill in the art is deemed to read the claim term not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent, including the specification." *Id.* at 1313. "In some cases, the ordinary meaning of claim language as understood by a person of skill in the art may be readily apparent ..., and claim construction in such cases involves little more than the application of the widely accepted meaning of commonly understood words. In such circumstances, general purpose dictionaries may be helpful."

Id. at 1314. However, the court continued, in many cases "the meaning of a claim term as understood by persons of skill in the art is often not immediately apparent, [and in those cases] the court looks to 'those sources available to the public that show what a person of skill in the art would have understood disputed claim language to mean.'" *Id.* (citation omitted). Those sources include not only "the words of the claims themselves," but also "the remainder of the specification." *Id.*

As the Federal Circuit had stated previously, and reiterated in *Phillips*, "the specification is 'always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single best guide to the meaning of disputed terms.'" *Id.* at 1315 (quoting *Vitronics Corp v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996)). *See Standard Oil Co. v. Am. Cyanamid Co.*, 774 F.2d 448, 452 (Fed. Cir. 1985) (noting that "[t]he descriptive part of the specification aids in ascertaining the scope and meaning of the claims inasmuch as the words of the claims must be based on the description. The specification is, thus, the primary basis for construing the claims."); *Bates v. Coe*, 98 U.S. 31, 38 (1878) ("in case of doubt or ambiguity it is proper in all cases to refer back to the descriptive portions of the specification to aid . . . in ascertaining the true intent and meaning of the language employed in the claims"). In summarizing the role the specification plays in interpreting claims, the court stated:

> Ultimately, the interpretation to be given a term can only be determined and confirmed with a full understanding of what the inventors actually

> invented and intended to envelop with the claim. The construction that stays true to the claim language and most naturally aligns with the patent's description of the invention will be, in the end, the correct construction.

Id. at 1316. "It is therefore entirely appropriate," the court acknowledged, "when conducting claim construction, [for a court] to rely heavily on the written description for guidance as to the meaning of the claims." *Id.* at 1317.

After acknowledging the importance the specification plays in properly interpreting claims, the court then warned about "reading limitations from the specification into the claim." *Id.* at 1323. Although the court recognized that "the distinction between using the specification to interpret the meaning of a claim and importing limitations from the specification into the claim can be a difficult one to apply in practice," it assured the courts with the duty to draw those distinctions that "the line ... can be discerned with reasonable certainty ... if ... [a] court's focus remains on understanding how a person of ordinary skill in the art would understand the claim terms."[1] *Id.* For instance, the court

1. The Court notes that how a person of ordinary skill in the art would understand a claim is, as the *Phillips* court stated, the basis upon which a court is to interpret claims. 415 F.3d at 1312-13 (recognizing that in interpreting claims, the "words of a claim 'are generally given their ordinary and customary meaning,' [which] . . . is the meaning that the [words] would have to a person of ordinary skill in the art in question."). Thus, it appears, to also ensure that a court does not read a limitation from the specification into a claim, but rather construes the claim in light of the specification, a court is to, similarly, "interpret the claims," i.e. "focus on how a person of ordinary skill in the art would understand the claim terms."

noted, "we have ... rejected the contention that if a patent describes only a single embodiment, the claims of a patent must be construed as being limited to that embodiment ... because persons of ordinary skill in the art rarely would confine their definitions of terms to the exact representations depicted in the embodiments." *Id.* "To avoid importing limitations from the specification into the claims," the court instructed, "it is important to keep in mind that the purposes of the specification are to teach and enable those of skill in the art to make and use the invention, and . . . [o]ne of the best ways to teach a person of ordinary skill in the art to make and use [an] invention is to provide an example of how to practice [it]. . . . Much of the time, upon reading the specification in that context," the court opined, "it will become clear whether the patentee is setting out specific examples to accomplish those goals, or whether the patentee instead intends for the claims and the embodiments in the specification to be . . . coextensive."

With this language as our framework, the Court now turns to the disputed claim language. Claim 1 is representative of the independent claims that Stryker alleges Pioneer to have infringed. The relevant portion of the language of claim 1 is that which relates to Stryker's locking cap. It provides, "[w]hat is claimed is: 1. A device for securing a spinal rod to the spine comprising ... b) a locking cap including *a first portion configured to engage an interior surface of the head portion* and a second portion having an elongated recess configured to engage an exterior surface of a spinal rod received by the channel ..., the first portion of the locking cap being mechanically joined and configured to rotate relative to the second portion of the locking cap."

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The language in dispute, as highlighted above, is "a first portion configured to engage an interior surface of the head portion." Specifically, the dispute concerns the proper interpretation of "configured to engage" as used in this context. Stryker offers no interpretation of the disputed claim language beyond asserting that the words should be given their "plain and ordinary meaning." Although the ordinary meaning of a claim term "is the meaning that the term would have to person of ordinary skill in the art," *Phillips,* 415 F.3d 1312-13, Stryker provides no interpretation as to how the disputed terms would be understood by someone skilled in the art. Rather, it simply concludes that every claim element in the '565 patent is present in Pioneer's pedicle screw system. With specific reference to the locking cap, it asserts that Pioneer's locking cap, like the one disclosed in the '565 patent, includes a first portion (with arcuate engagement flanges) configured to engage an interior surface of the head portion (i.e. arcuate engagement slots), and thus literally infringes the '565 patent.

Pioneer argues, in contrast, that, in light of the patent's specification, the claim language "a first portion configured to engage an interior surface of the head portion" must be construed to mean a first portion configured to cammingly engage an interior surface of the head portion. In support of this construction, Pioneer points out, as instructed by *Phillips,* that claims must be interpreted "not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent, including the specification." 415 F.3d at 1313. Pioneer argues that "the '565 patent's specification discloses only one approach for providing the force to lock the [spinal] rod in place."

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(Pl.'s Opp'n Defs.' Mot. Summ. J. Infringement at 3.) "Every one of the '565 patent's disclosed locking caps, in every embodiment," Pioneer notes, "requires inclined arcuate engagement flanges that rotate in inclined arcuate engagement slots within the head portion to create [a] downward, camming force on the rod located in the head portion." (Pl.'s Supp. Mem. Re. *Phillips v. AWH Corp.* at 6.) The following description of the engagement between the arcuate engagement flanges on the upper portion of the locking cap with the inside of the head portion is representative of the descriptions of this engagement throughout the specification:

> The flanged portion 64 of locking cap 20 is defined . . . by two diametrically opposed arcuate engagement flanges 82 and 84 which are dimensioned and configured for operative engagement with two complementary diametrically opposed arcuate engagement slots 86 and 88 defined in the interior surfaces of the opposed side walls 30 and 32 of head portion 22.
>
> [E]ngagement flanges 82 and 84 define ramped camming surfaces 92 and 94, respectively. Camming surfaces 92 and 94 are of opposite angular inclination with respect to one another. More particularly, each engagement flange has a low side . . . and a high side . . . whereby the low sides of the two flanges are diametrically opposed from one another as are the high sides. Actually, the camming surfaces of the flanges are mirror images of one another.

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> [T]he arcuate engagement slots 86 and 88 in head portion 22 of fastener 14 have inclined surfaces which mate with the ramped camming surfaces 92 and 94 of flanges 82 and 84.

('565 Patent col. 6, l. 45 to col. 7, l. 1.) The patent's specification further provides:

> [C]are must be taken to ensure that the upper portion 220a of locking cap 220 is positioned in such a manner so that the low sides of the flanges . . . are aligned with the high sides of the engagement channels . . . , or the flanges will not cammingly engage the channels upon rotation of the upper portion 220a of the locking cap 220 relative to the head portion 222.
>
> Once the upper portion 220a of locking cap 220 has been properly oriented with respect to head portion 222 . . . , it is rotated . . . relative to the lower portion 220b of locking cap 220 . . . . Thereupon, the arcuate engagement flanges 284, 286 of upper portion 220 cammingly engage the corresponding engagement slots 284.

('565 Patent col. 11, ll. 15-30.) In light of this specification language, Pioneer concludes, the claim language "a first portion configured to engage an interior surface of the head portion" must be interpreted as requiring a first portion configured to cammingly engage an interior surface of the head portion (through the mating of inclined arcuate engagement flanges with inclined arcuate engagement slots),

which produces the downward locking force needed to secure a spinal rod in place.

In interpreting claims, as instructed by *Phillips,* a court is to give the words of the claims their ordinary meaning as understood by a person of ordinary skill in the art. *Phillips,* 415 at 1312-13. The *Phillips* court also noted that "[i]n some cases, the ordinary meaning of claim language .. . may be readily apparent . . . , and claim construction in such cases involves little more than the application of the widely accepted [i.e. general purpose dictionary] meaning of commonly understood words." *Id.* at 1313. Stryker appears to maintain that this is such a case. Although Stryker asserts that it is not proffering a dictionary definition of the phrase "configured to engage," (*see* Defs.' Resp. Re. *Phillips v. AWH Corp.* at 3), it must be advancing such an interpretation in maintaining this claim for literal infringement. This is so because the flanges on Pioneer's and Stryker's locking caps engage with the heads in their pedicle screw systems in different ways. Stryker's inclined flanges, as evidenced by the specification, cammingly engage inclined slots in the head portion, thus creating the force necessary to secure the rod, whereas Pioneer's flanges, which are not inclined, are merely pressed against the slots in the head portion of its system as the lower surface of Pioneer's upper cap cammingly engages the top surface of the saddle. For Stryker to successfully prosecute its infringement claim, then, it must be advancing an interpretation of "configured to engage" that is broader than "designed to cammingly engage." Its interpretation of "a locking cap including a first portion *configured to engage* an interior surface of the head portion" must be "a locking cap with a first portion 'designed to mes[illegible] interlock' with

engagement slots in the head portion" since, with such an interpretation, Pioneer's system would literally infringe the '565 patent, as its locking cap includes a first portion "designed to mesh or interlock" with engagement slots in a head portion.

Stryker's "dictionary definition," however, cannot serve as the definitive definition of the disputed claim language in this case. For one, this is not a case where the ordinary meaning of the disputed claim language as understood by a person of skill in the art is so readily apparent that the "claim construction involves little more than the application of the widely accepted meaning of" the disputed terms. It is true, of course, that the Court is not unacquainted with the words "configure" or "engage," in the sense that a lay judge could recite their dictionary definitions. Detached from their context, however, these words can be defined only very generally. For instance, Webster defines "configure" as "1. to shape according to some model, and 2. to arrange in a certain form, figure, or shape: give a configuration to." Webster's Third New International Dictionary 476 (1971).

Similarly, Oxford English Dictionary defines "configure" as "to fashion according to something else as a model, and . . . to put together in a certain form or figure." Oxford English Dictionary, available at http://www.oed.com. Webster defines "engage" as "to be or become in gear: interlock and interact," and Oxford English Dictionary defines "engage" as "to interlock *with*, fit into a corresponding part." Webster's Third New International Dictionary 751 (1971); Oxford English Dictionary, available at http://www.oed.com. From the dictionary definitions, then,

the most one can say is that the phrase "a locking cap including a first portion configured to engage an interior surface of the head portion" means that the cap's first portion is shaped or arranged in a certain way to interlock or fit with the interior surface of the head portion. The way in which the locking cap is shaped or arranged to interlock or fit with the head portion, is, of course, indiscernible from the dictionary definition. Thus, in view of the fact that the ordinary meaning of the disputed terms is not readily apparent, the Court must look to the specification to properly construe the claims.[2]

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2. The Court notes that the phrase "configured to engage" is used twice in claim 1. ('565 Patent claim 1) ("a locking cap including a first portion *configured to engage* an interior surface of the head portion and a second portion having an elongated recess *configured to engage* an exterior surface of a spinal rod . . . .) The *Phillips* court noted that in construing a claim, "the context in which a term is used . . . can be highly instructive." 415 F.3d at 1314. For instance, the court explained, "[b]ecause terms are normally used consistently throughout the patent, the usage of a term in one claim can often illuminate the meaning of the same term in other claims." *Id.* In *Process Control Corp. v. HydReclaim Corp.*, 190 F.3d 1350, 1356 (Fed. Cir. 1999), the court interpreted the term "discharge rate," which was used twice in the same claim, to mean the same thing in both usages, because identical language, which illuminated the phrase's meaning, was associated with the phrase in both usages. In this case, the phrase "configured to engage" is not used in the same way: the first usage relates to the engagement between the upper portion of the locking cap and an interior surface of the head portion while the second usage relates to the engagement between the lower portion of the locking cap and the spinal rod. There is no indication from the words of the claims that they should be interpreted to refer to the same form of engagement. Moreover, in light of the specification, a person of ordinary skill would not interpret the phrase to refer to the same type of engagement in both instances.

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Not only must the Court look to the patent's specification because the ordinary meaning of the terms is not readily apparent, but also because, as instructed by *Phillips*, "the person of ordinary skill in the art is deemed to read the claim ... in the context of the entire patent, including the specification." 415 F.3d at 1313. Reading the disputed claim language in the context of the specification, the Court concludes that the phrase "a locking cap including a first portion configured to engage an interior surface of the head portion" requires a locking cap with a first portion configured to cammingly engage an interior surface of the head portion. The '565 patent's specification envisions a number of different approaches and embodiments for teaching a person skilled in the art to make and use the invention. For instance, the specification explicitly recognizes that the disclosure is not limited to the particular fasteners shown in the embodiment, but rather envisions that any component designed for attachment to a spinal rod could be used. ('565 Patent col. 5, ll. 27-35.) Moreover, the specification also envisioned the following: both a one-piece and two-piece locking cap, (*id.* figs. 9 and 12(b)), a one-piece locking cap with transverse recesses on the bottom and one with a flat bottom surface, (*id.* col. 6, ll. 25-30), different tooling methods for rotation of the locking cap, (*id.* col. 6, ll. 37-40), and arcuate engagement flanges with and without radially inwardly directed tapers. (*Id.* col. 8, ll. 30-34.) The patent's specification, however, discloses one and only one approach for generating the force necessary to secure a spinal rod in place. That is, consistently throughout the specification, the embodiments contain a locking cap including an upper portion with inclined arcuate engagement flanges designed to cammingly engage inclined arcuate engagement slots in the head portion.

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Stryker argues that an interpretation of the claim that requires a camming engagement between the first portion of a locking cap and the interior surface of a head portion would improperly "narrow the scope of the asserted claims to the embodiment disclosed in the specification of the '565 patent." (Defs.' Resp. Re. *Phillips v. AWH Corp.* at 3.) To avoid improperly limiting a claim's scope to an embodiment in the specification, the Federal Circuit has instructed that courts should "focus . . . on . . . how a person of ordinary skill in the art would understand the claim terms." *Phillips,* 415 F.3d at 1323. The Court concludes that not only would a person of ordinary skill in the art consult the specification to aid in determining the meaning of the disputed terms, but such a person would also conclude that the claims require a locking cap with a first portion configured to cammingly engage an interior surface of a head portion, for "[t]here is nothing in the context [of the specification] to indicate that the patentee contemplated any alternative" for a locking cap other than the one disclosed. *Snow v. Lake Shore & Mich. S. Ry. Co.,* 121 U.S. 617, 629-30, 7 S.Ct. 1343, 1350-51 (1887). *See Phillips,* 415 F.3d at 1323 ("To avoid importing limitations from the specification into the claims," a court should read the specification with an eye towards "whether the patentee is setting out specific examples" to teach a person of ordinary skill in the art to make and use the invention, "or whether the patentee instead intends for the claims and the embodiments in the specification to be . . . coextensive."). Moreover, Stryker "is not entitled to a claim construction divorced from the context of the written description." *Nystrom v. Trex Co.,* — F.3d —, 2005 WL 2218632, at *7 (Fed. Cir. Sept. 14, 2005). In this case, the written description consistently describes a device

where the camming force necessary to secure a rod into place is generated by the engagement of inclined arcuate engagement flanges with inclined arcuate engagement slots in the inside surface of a head portion.

Stryker also asserts that the phrase "a first portion configured to engage an interior surface of [a] head portion" cannot be interpreted as requiring a camming engagement because it did not disavow the full scope of the claim terms' ordinary and customary meanings. Requiring a disavowal in the specification to construe a claim term more narrowly (or simply differently) than its dictionary definition "improperly restricts the role of the specification in claim construction." *Phillips*, 415 F.3d at 1320. As the *Phillips* court explained, "[a]ssigning such a limited role to the specification, and in particular requiring that any definition of claim language in the specification be express, is inconsistent with our rulings that the specification is 'the single best guide to the meaning of a disputed term.'" *Id.* at 1321 (citation omitted). Rather, a specification may not only expressly define a claim term, but it may also "define claim terms by implication such that the meaning may be found in or ascertained by a reading of the patent documents." *Irdeto Access, Inc. v. Echostar Satellite Corp.*, 383 F.3d 1295, 1300 (Fed. Cir. 2004). In other words, "[w]hat *Phillips* now counsels is that in the absence of something in the written description ... to provide ... notice to the public ... that the inventor intended a disputed term to cover more than the ordinary and customary meaning [as] *revealed by the context of the intrinsic record*, it is improper to read the term to encompass a broader definition simply because it may be found in a dictionary." *Nystrom*, — F.3d —, 2005 WL

2218632, at *7 (emphasis added). In this case, the Court will not read "configured to engage" in "a first portion configured to engage an interior surface of [a] head portion" to encompass the breadth of its dictionary definition where the phrase's meaning as revealed by the context of the intrinsic evidence demonstrates that the phrase must be interpreted as requiring a camming engagement between the first portion of the locking cap and the interior surface of the head portion.

Finally, the Court addresses Stryker's argument that *Phillips,* despite its extensive discussion of the importance of the specification in claim construction, supports its position that the disputed terms should not be read as requiring a "camming engagement." In *Phillips,* the dispute was over the meaning of the term "baffles." 415 F.3d at 1324. Both parties, stipulating to a dictionary definition, agreed that "the term 'baffles' refers to objects that check, impede, or obstruct the flow of something." *Id.* The dispute concerned whether "baffles," as used in the claims, must be disposed at angles other than 90 degrees. Although the specification contained no disclosure of baffles disposed at right angles, but rather only at acute or obtuse angles, Stryker notes, the court concluded that the definition of baffles did not exclude baffles disposed at right angles. *Id.* at 1327. Similarly, Stryker asserts, the Court should not limit the disputed phrase "configured to engage" as requiring a camming engagement simply because that is the only embodiment disclosed in the specification.

The *Phillips* court reached its conclusion that baffles as used in the claim did not exclude those disposed at 90 degree angles not because it advanced a dictionary interpretation of

the disputed term above that revealed in the patent's intrinsic evidence. Rather, it reached its conclusion upon reading the disputed language in the context of the entire patent. That is, applying the doctrine of claim differentiation, the court noted that since the dependent claims provided specific functions, such as baffles "disposed at angles for deflecting projectiles," to avoid rendering the independent claim redundant, it construed the independent claim as not requiring baffles disposed at acute or obtuse angles. *Id.* at 1324-25. In this case, however, the doctrine of claim differentiation is not applicable, as no other claims reference how "a first portion [is to be] configured to engage an interior surface of [a] head portion." Rather, in this case, the disputed claim language is ambiguous, and it is not made clear by reference to the remaining claims. Recognizing that "the interpretation to be given a term can only be determined and confirmed with a full understanding of what the inventors actually invented and intended to envelop with the claim," *id.* at 1316, this Court consulted the remainder of the specification. *Id.* at 1316. Upon review of the specification, the Court concludes that it demonstrates that a "locking cap including a first portion configured to engage an interior surface of [a] head portion" requires a camming engagement between the first portion of the locking cap and the interior surface of the head portion.

In light of this claim construction, the Court must now determine "whether the accused product infringes the properly construed claim." *Athletic Alternatives*, 73 F.3d at 1578. "Where, as here, the parties do not dispute any relevant facts regarding the accused product but disagree over which of two possible meanings [of the disputed claim language]

is the proper one, the question of literal infringement collapses to one of claim construction and is thus amenable to summary judgement." *Id.* Since it is undisputed that Pioneer's product does not contain a locking cap with a first portion that is designed to cammingly engage an interior surface of the head portion, the Court concludes that no reasonable trier of fact could find that Pioneer's product literally infringes the '565 patent. Thus, the Court will deny Stryker's motion for summary judgment of infringement and grant summary judgment in favor of Pioneer that its product, in light of this Court's claim construction, does not literally infringe the '565 patent.

Finally, with respect to Stryker's motion for summary judgment that the '565 patent is not invalid, the Court will dismiss the motion as moot in light of its grant of summary judgment in favor of Pioneer that Pioneer's product does not literally infringe the '565 patent. In light of this conclusion, a decision on the motion for summary judgment that the '565 patent is not invalid is unnecessary, for even if the Court were to find that the patent is not invalid, that would have no impact upon the disposition of this action (i.e. Pioneer's product would still not literally infringe the '565 patent).

CONCLUSION

For the foregoing reasons, the Court will deny Defendants' motion for summary judgment of literal infringement, grant summary judgment in favor of Pioneer that its product does not literally infringe the '565 patent, and dismiss Defendants' motion for summary judgment that the '565 patent is not invalid as moot.

Appendix B

An Order consistent with this Opinion will be entered.

Dated: October 13, 2005

/s/ Gordon J. Quist
GORDON J. QUIST
UNITED STATES DISTRICT JUDGE

Appendix B

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

Case No. 2:05-CV-41

HON GORDON J. QUIST

PIONEER LABORATORIES, INC., d/b/a
PIONEER SURGICAL TECHNOLOGY

Plaintiff,

v.

STRYKER CORP., and
HOWMEDICA OSTEONICS CORP.,

Defendants.

ORDER

In accordance with the Opinion filed this date,

It is **HEREBY ORDERED** that Defendants' Motion for Summary Judgment of Infringement (docket no. 6) is **DENIED,** and that Defendants' Motion for Summary Judgment that Patent '565 is not invalid (docket no. 8) is **DENIED** as **MOOT.**

Appendix B

It is **FURTHER ORDERED** that Summary Judgment in favor of Plaintiff that its product does not literally infringe Patent '565 is **GRANTED.**

This case is concluded.

Dated: October 13, 2005

/s/ Gordon J. Quist
GORDON J. QUIST
UNITED STATES DISTRICT JUDGE

APPENDIX C — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DENYING PETITION FOR REHEARING FILED OCTOBER 6, 2006

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

06-1142

PIONEER LABORATORIES, INC.
(doing business as Pioneer Surgical Technology),

Plaintiff-Appellee,

v.

STRYKER CORP. and
HOWMEDICA OSTEONICS CORP.,

Defendants-Appellants.

ORDER

A combined petition for panel rehearing and for rehearing en banc having been filed by the Appellant, and the petition for rehearing, having been referred to the panel that heard the appeal, and thereafter the petition for rehearing en banc having been referred to the circuit judges who are in regular active service,

Appendix C

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for panel rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the petition for rehearing en banc be, and the same hereby is, DENIED.

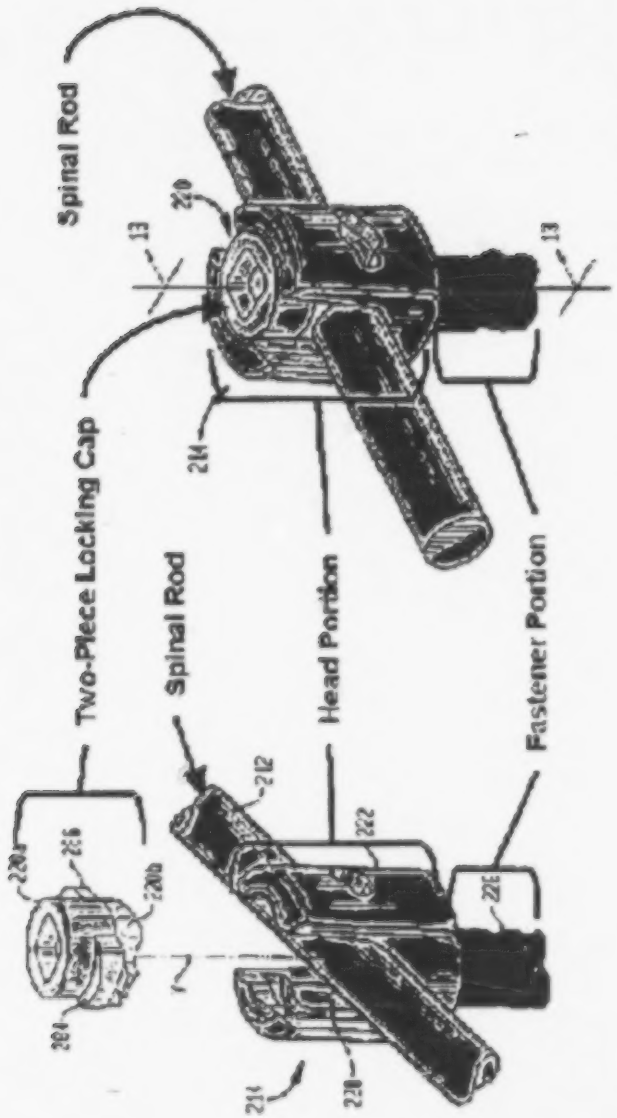
The mandate of the court will issue on October 13, 2006.

FOR THE COURT,

s/ Jan Horbaly
Jan Horbaly
Clerk

Dated: 10/06/2006

APPENDIX D — ANNOTATED FIGURES FROM U.S. PATENT NO. 6,565,565



From Fig. 14a of '565 Patent

From Fig. 11 of '565 Patent